

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JOANN ESTATES UTILITIES,)	
INC. TO TRANSFER THE LAND, AND PHYSICAL)	CASE NO.
ASSETS OF THE JOANN ESTATE UTILITIES,)	90-393
INC., IN MCCrackEN COUNTY, KENTUCKY, TO)	
BILLY G. WAID)	
)	
and)	
)	
JOANN ESTATES UTILITIES, INC.)	
)	CASE NO.
)	90-408
)	
ALLEGED VIOLATION OF KRS CHAPTER 278)	

O R D E R

On November 26, 1990, an application was filed with the Commission requesting approval of the transfer of Joann Estates Utilities, Inc. ("Joann Estates") to Billy G. Waid. The applicants were notified by the Commission that the filing lacked certain information required by regulation. The filing deficiencies were cured on December 28, 1990 when the necessary information was filed with the Commission, and Case No. 90-393 was established.

On December 18, 1990, the Commission initiated Case No. 90-408 by issuing an Order directing Joann Estates to appear at a hearing scheduled for January 17, 1991 and be prepared to show cause why it should not be penalized for failing to maintain and operate its facilities in accordance with accepted good

engineering practice. The show cause Order was the result of a Utility Inspection Report issued by Commission Staff on October 12, 1990, which found multiple violations of Commission regulation 807 KAR 5:071, Section 7. Joann Estates was further ordered to submit a written response to all of the allegations contained in the Order within 20 days.

By letter received at the Commission on January 2, 1991, Billy G. Waid responded on behalf of Joann Estates to the allegations in the Commission's show cause Order. According to Mr. Waid, he has taken over the management and operation of the three sewage treatment facilities and has corrected most of the deficiencies listed in the Utility Inspection Report of October 12, 1990. Mr. Waid requested that the hearing scheduled for January 17, 1991 be postponed or cancelled due to the improvements made.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the hearing scheduled for January 17, 1991 should be postponed and an informal conference scheduled to discuss the status of the sewage treatment facilities, as well as issues arising in the application for approval of the transfer of the facilities.

IT IS THEREFORE ORDERED that:

1. The hearing scheduled for January 17, 1991 is hereby continued, to be rescheduled at a later date if necessary.

2. An informal conference is hereby scheduled for January 31, 1991 at 9:00 a.m., Eastern Standard Time, in Conference Room 2

of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky. The informal conference is for the purpose of discussing the status of the three sewage treatment plants owned and operated by Joann Estates and the proposed transfer of the plants to Billy G. Waid.

3. Billy G. Waid shall file the original and 10 copies of the following information with the Commission no later than January 24, 1991, with a copy to all parties of record. Billy G. Waid shall furnish with each response the name of the witness who will be available for responding to questions concerning each item of information should a public hearing be required in this matter.

(a) Provide a detailed explanation as to the status of each deficiency noted in the Commission's Utility Inspection Report of October 12, 1990. Describe how each deficiency has been or is proposed to be corrected, and provide the date by which each will be corrected.

(b) Provide a written and executed contract of sale evidencing the transfer of assets of Joann Estates Utilities, Inc. to Billy G. Waid.

(c) Provide income and financial statements evidencing the financial capability of Billy G. Waid to acquire and maintain the sewage treatment facilities.

(d) Provide a third-party beneficiary agreement guaranteeing the continued operation of the sewage treatment facilities.

Done at Frankfort, Kentucky, this 14th day of January, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director